

**Appendix D**  
**Town of Exeter Resale Restriction Covenants**

**NOTE: this document was used by the Town of Exeter in association with and as a condition of approval for the “Watson Woods” development. Its inclusion in this Guidebook is not an endorsement of any of the terms or methodologies it contains, but only an indication of how one community has approached the matter of long-term affordability restrictions. Also observe that some of the terms do not reflect definitions used in the workforce housing statute, as this covenant predates the law.**

**Municipalities should consult with legal counsel when creating documents that legally bind the rights of property owners and developers. As municipal planning boards develop long-term affordable restrictions, they are strongly encouraged to seek the input of impartial professionals with experience in affordable housing development and administration to ensure that such restrictions are realistic and enforceable.**

**AFFORDABLE HOUSING RESTRICTIVE COVENANT  
AND AGREEMENT**

This Affordable Housing Restrictive Covenant and Agreement (the “**Covenant**”) dated this \_\_\_\_ day of \_\_\_\_\_, 200\_\_, is entered into between the Monitoring Agent as defined in Section 1 of this covenant, currently, and hereafter referred to as **MB**, referring to **MB Management Company**, a Massachusetts company, with a mailing address of 220 Forbes Road, Suite 205, Braintree, Massachusetts 02184 (“**MB**”); **Watson Woods Unit Owners’ Association** of 8 Newmarket Road, Ste. 2, Durham, NH 03824; and \_\_\_\_\_ of \_\_\_\_\_, (the “**Owner**”) of the property known as Unit \_\_\_\_\_, Watson Woods Condominium, Exeter, New Hampshire. This Covenant applies to the Condominium Unit (the “**Home**”), described on **Exhibit A** attached hereto.

WHEREAS, Oakland Road, LLC (the “**Developer**”), will be constructing or has constructed homes in a new subdivision named Forest Ridge, of which the Watson Woods Condominium is a component, according to the final subdivision plan recorded in the Rockingham Registry of Deeds as Plan No. D32025 (the “**Development**”);

WHEREAS, as a condition of the Town of Exeter (the “**Town**”) approving the Development under its affordable housing zoning ordinance adopted in accordance with RSA 674:16 and RSA 674:21, the Town has required a certain percentage of the homes within the Development be maintained as affordable housing;

WHEREAS, this Covenant is designed to satisfy the conditions of the Town, to the fullest extent allowed by law, by requiring that the Home be maintained for a term of 30 years as affordable housing;

WHEREAS, Developer has declared Watson Woods Condominium by Declaration recorded in the Rockingham County Registry of Deeds at Book \_\_\_\_\_, Page \_\_\_\_\_; by By-laws recorded at Book \_\_\_\_\_, Page \_\_\_\_\_; and by Site Plan recorded as Plan

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\_\_\_\_\_, consisting of six buildings and not more than 28 units, 20 of which are restricted in accordance with this Covenant as follows:

<u>Building #</u>	<u>Unit #</u>	<u>Restricted to Eligible Buyer with income at or below the % of AMI stated below:</u>
1	1	120
1	2	120
1	3	80
1	4	120
1	5	120
2	6	120
2	7	120
2	8	80
2	9	120
2	10	120
3	11	120
3	12	120
3	13	80
3	14	120
3	15	120
4	16	120
4	17	120
4	18	80
4	19	120
4	20	120
5 and 6	21-28	unrestricted

WHEREAS, this Covenant shall apply to and be enforceable by the Town, Monitoring Agent, and the Watson Woods HomeOwners' Association against all current and future owners of the Home, and shall RESTRICT THE SALE, RESALE, RENTAL, MORTGAGING AND USE of the Home;

WHEREAS, the Owner recognizes the special nature of the terms and conditions of this Covenant and, with the independent and informed advice of legal counsel, freely accepts the terms and conditions of this Covenant, including, without limitation, the terms and conditions that affect the marketability and the resale price of the Home; and

WHEREAS, MB, or its designated agent or successor, shall have responsibility for monitoring and enforcing this Covenant in compliance with the Town's requirements for affordability.

NOW THEREFORE, as further consideration from the Owner to the Developer and the Town for the conveyance of the Home at a reduced price in accordance with the Town's zoning approval, the Owner and Developer and their respective heirs, successors, assigns, hereby agree that the Home shall be subject to the following rights and restrictions which are hereby imposed for the benefit of, and shall be enforceable by the Town and MB and their respective heirs, successors and assigns.

THEREFORE, in consideration of the foregoing recitals and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### DEFINITIONS

The following terms shall have the following meanings for purposes of this Covenant:

- 1.1 **“Area Median Income” or “AMI” means the current Area Median Income for single persons and households of various sizes by the United States Department of Housing and Urban Development (HUD) or by any successor United States Government department, agency, or instrumentality, for the metropolitan statistical area which includes the Town of Exeter, New Hampshire.**
  
- 1.2 **“Consumer Price Index” or “CPI” means the Consumer Price Index for Urban Wage Earners and Clerical Workers All Items (CPI-W), Boston-Brockton-Nashua-MA-NH-ME-CT (November 1982-84 index of 100)” published by the Bureau of Labor Statistics of the United States Department of Labor or any comparable successor or substitute index designated by HUD appropriately adjusted in the event the Consumer Price Index ceases to use the November 1982-84 index of 100 as the basis of calculation or if a substantial change is made in the terms or number of items contained in the Consumer Price Index, then the Consumer Price Index shall be adjusted to the figure that would have been arrived at had the manner of computing the Consumer Price Index in effect at the date of this Covenant not been changed.**
  
- 1.3 **“Cumulative CPI” means the percentage difference between the CPI on the date of purchase (calculated by taking the average of monthly price indexes for each of the twelve months prior to the date of purchase) and the CPI on the date of the sale (calculated by taking the average of the monthly price indexes for each of the twelve months prior to the date of the sale).**
  
- 1.4 **“Development” has the meaning set forth in the above recitals.**
  
- 1.5 **“Eligible Buyer” means a natural person, who is certified by MB to be qualified to buy. For purposes of determining who is an Eligible Buyer for purposes of this Covenant, Eligible Buyers shall include only those**

- individuals whose gross income, as defined by the U.S. Department of Housing and Urban Development's 4350.3 guidelines, Handbook No. 4350.3, Rev-1, Occupancy Requirements of Subsidized Multi-Family Housing Programs, published on July 23, 2003, as the same may be revised from time to time, or if the same shall be discontinued, a comparable publication, is at or below that percent of Area Median Income at the time of purchasing the Home, as set forth in the chart in the preamble to this Covenant.
- 1.6 **“First Mortgage” means a recorded mortgage which is senior to any other mortgages or liens against the Home (other than the lien for real estate taxes and homeowner association assessments, if any), and which is used to secure a loan from an Institutional Lender to an Eligible Buyer to purchase a Home.**
- 1.7 **“Home” means the real property described on Exhibit A attached hereto, together with other structural improvements now or hereafter located thereon.**
- 1.8 **“Institutional Lender” means any bank, savings and loan association, or any other lender that is licensed to engage in the business of providing purchase money or mortgage financing on residential real property.**
- 1.9 **“Maximum Resale Price” means not more than the Purchase Price plus two times the accumulated Consumer Price Index or CPI, times the original purchase price (expressed as a formula:  $\text{Maximum Resale Price} = \text{Original Purchase Price} + [2(\text{accumulated CPI}) \times \text{Original Purchase Price}]$ , calculated in accordance with Exhibit B. No adjustment to the Maximum Resale Price will be made if the CPI on the date of sale is less than the CPI on the date of purchase.**
- 1.10 **“Monitoring Agent” shall mean authorized agency approved by the Town, from time to time, to monitor and enforce this covenant in compliance with the Town's requirements for affordability. At date of execution the Monitoring Agent shall be MB Management, until further written notice.**
- 1.11 **“Owner” means the record title owner of a Home. Prior Owner means the Seller of the unit. New Owner means the Buyer of the unit who will execute this document.**
- 1.12 **“Primary Residence” means the residence a person occupies for a minimum of eight (8) full months out of any twelve (12) month period.**
- 1.13 **“Purchase Price” means any and all consideration paid for the Transfer of a Home, either at or outside of closing, but not including any pro-ration amounts, taxes, costs and expenses of obtaining financing, the fair market value of furnishings or personal property, lender's fees, title insurance fees,**

closing costs, inspection fees, or other normal and customary financing and closing costs.

- 1.14 “Transfer” means any sale, assignment or transfer, voluntary or involuntary, by operation of law (whether by deed, contract of sale, gift, devise, bequest, trustee’s sale, deed in lieu of foreclosure, or otherwise) of any ownership or possessory interest in a Home, including but not limited to, a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, leasehold interest, mortgage, or lien.**

## **2 NOTICE OF INTENT TO SELL**

- 2.1 Intent to Sell Notice. Owner shall notify MB in writing of Owners’ intent to sell a Home (the “Intent to Sell Notice”) at the address listed in paragraph 7.1. The Intent to Sell Notice shall have attached to it the Maximum Resale Price of the Home calculated in accordance with Exhibit B.**
- 2.2 Concurrence of Maximum Sales Price. Within 15 days of the filing an Intent to Sell Notice, MB shall confirm the Exhibit B calculations, adjust it as may be necessary, and advise Owner of the Maximum Resale Price.**
- 2.3 Qualification of Eligible Buyer.** All sales contracts for the sale of a Home shall be subject to certification by MB that buyer is an Eligible Buyer in accordance with this Covenant. If buyer is not certified as an Eligible Buyer, all deposits shall be returned to buyer and the sales contract shall be null and void. Within five days of the execution of a sales contract, Owner shall deliver said contract to MB which shall within 15 business days based on full cooperation of the buyer thereafter certify, if qualified, that buyer is an Eligible Buyer. Failure of the buyer to provide full cooperation and complete income verifications required to certify buyer eligibility will result in extension of the 15 day certification timeline until such verifications can be completed.
- 2.4 Inability to Find An Eligible Buyer.** If after ninety (90) days of the issuance by MB to Owner of a Concurrence of the Maximum Sales Price as defined in Section 2.2 hereof, and upon a showing of a continued good faith effort throughout the full ninety (90) days to find such an Eligible Buyer, Owner is unable to find an Eligible Buyer, Owner shall then be free to sell the property to any buyer, whether an Eligible Buyer or not, at a price not to exceed the Maximum Resale Price. Such a sale, however, will not serve to release that buyer of the Home, or subsequent owners of the Home, or the Home, from this Covenant.

**3 RESALE AND TRANSFER RESTRICTIONS**

**3.1 Maximum Resale Price/Eligible Buyer. Except as set forth in Section 3.4, a Home shall not be Transferred, and no attempted Transfer will be valid unless:**

- A. MB issues a certificate (the “Transfer Certificate”) stating that the Purchase Price is equal to or less than the Maximum Resale Price, the buyer is an Eligible Buyer, the proposed terms of the Transfer are in compliance with this Covenant, and the Transfer Certificate is recorded at the appropriate Registry of Deeds.**
- B. New Owner executes a new covenant in the same form as this Covenant and the new Covenant is recorded at the Rockingham County Registry of Deeds.**
- C. Any good faith buyer of a Home, Institutional Lender or any other third party may rely upon a Compliance Certificate or Transfer Certificate as conclusive evidence of the matters stated in the Certificates and may record the Certificates in connection with the Transfer of the Home.**
- D. Within ten (10) days of the closing, the new Owner shall deliver to MB a certified copy of the recorded deed of the Home and new Covenant.**

**3.2 Administrative Fee. An Owner shall pay MB one-half percent (1/2%) of the lesser of the Maximum Resale Price or the actual Purchase Price, as an administrative fee to process a request for a Compliance Certificate or Transfer Certificate at the time either Certificate is requested.**

**3.3 NO GUARANTEE. NOTHING IN THIS COVENANT SHALL BE CONSTRUED OR GIVE RISE TO ANY IMPLIED REPRESENTATION, WARRANTY OR GUARANTEE. THE OWNER WILL INDEMNIFY AND HOLD HARMLESS MB, THE DEVELOPER, AND DEVELOPER’S AGENTS WHO EXPRESSLY DISCLAIM, THAT AN OWNER WILL BE ABLE TO RESELL A HOME FOR THE MAXIMUM RESALE PRICE OR RECOVER HIS OR HER INITIAL PURCHASE PRICE.**

**3.4 Exempt Transfers. The following Transfers shall be exempt from the rights and restrictions in this Covenant, provided that the new Owner (other than an estate) shall use the Home as his or her Primary Residence:**

- A. Transfer resulting from the death of an Owner where the Transfer is to the Owners’ spouse;**
- B. Transfer to the Owners’ estate following his or her death for the purpose of administering the estate and distributing the assets of the estate.**
- C. Transfer resulting from a decree of dissolution of the marriage or legal separation or from a property settlement agreement incidental to such a**

decree, by which a spouse who is an Owner becomes the sole Owner of the Home.

- 3.5 Transfers To A Buyer Other Than An Eligible Buyer.** A transfer may be made to a buyer, other than an Eligible Buyer, only under the provisions of Section 2.4 hereof, when an Eligible Buyer cannot be found within the designated timeframes, or pursuant to the provisions of Section 5.3 hereof resulting from a foreclosure sale, or deed in lieu of foreclosure. For a sale made pursuant to Section 2.4, the Eligible Buyer provision of this Covenant is waived, but the Maximum Resale Price is not, nor are any provisions of this Covenant waived for the new Owner. For a sale made pursuant to Section 5.3, the Eligible Buyer provision is waived, the Maximum Resale Price is not (but see Section 5.4); however, the Home will thereafter be forever free of this Covenant (See Section 5.5).

#### **4 RESTRICTIONS ON USE, RENTAL AND JUNIOR ENCUMBRANCES**

- 4.1 Occupancy.** The Owner shall maintain the Home as Owners' Primary Residence, occupying that Home for a minimum of eight (8) full months out of any twelve (12) month period, unless otherwise agreed in writing by MB. Occupancy by children or other immediate family members or dependents of the Owner, who have been occupying the Home for a period of at least nine (9) consecutive months before the start of the Owners' absence, shall be deemed occupancy by the Owner. Upon written request of MB, the Owner shall provide MB with such information as MB may reasonably request to satisfy itself that the Home is being used as the Owners' Primary Residence.
- 4.2 Residential Use.** The Owner shall use, and shall cause all occupants thereof to use, the Home only for residential purposes and such incidental activities related to residential use as are currently permitted by then existing zoning codes, Town ordinances, and restrictive covenants governing the Development. The Owner shall not use or occupy, nor permit any use or occupancy of the Home in violation of this Covenant.
- 4.3 Maintenance/Improvements.** The Owner shall maintain the Home in a good, safe, and habitable condition in all respects, except for normal wear and tear, and in full compliance with all applicable laws, ordinances, homeowner covenants, and rules and regulations set forth in the Declaration and By-Laws of Watson Woods Condominiums, Exeter, New Hampshire and by any governmental authority with jurisdiction over matters concerning the condition and use of the Home.

- 4.4 Restrictions Against Leasing and Junior Encumbrances. The Owner shall not lease, refinance, encumber (voluntarily or otherwise), or grant a mortgage on the Home without the prior written consent of MB, provided, however, that this provision shall not apply to a First Mortgage granted to acquire the Home. The written consent requested by MB shall be governed by the following standards and shall not be unreasonably withheld:**
- A. **Encumbrances.** The maximum amount of all encumbrances shall not be in excess of the amount of the Maximum Resale Price. (For example, there shall be no limitation on a refinance of a junior encumbrance, such as an equity line of credit, so long as the total of all of those encumbrances shall not be in excess of the Maximum Resale Price.)
  - B. The maximum rent shall not exceed 175% of the annual published Fair Market Rent for the Portsmouth-Rochester, NH-ME PSMA, as determined and published by the U.S. Department of HUD.

## **5 MORTGAGEE PROTECTIONS**

- 5.1 Subordinate Lien.** The lien imposed by this Covenant shall be subordinate to a First Mortgage on the Home.
- 5.2 Notice of Foreclosure.** An Institutional Lender holding a First Mortgage shall give MB the same notice provided to “any person having a lien of record” in accordance with RSA 479:25,II of its intent to conduct a foreclosure of its First Mortgage. An Institutional Lender is not required to provide MB with any further or greater notice and is not required to provide MB with any rights other than those of a holder of a subordinate lien of record.
- 5.3 Waiver of Obligation to Sell to an “Eligible Buyer”.** An Institutional Lender foreclosing its First Mortgage may sell the home to any buyer, which buyer need not be an Eligible Buyer. An Institutional Lender which has acquired title to the Home as a result of a deed in lieu of foreclosure may sell the Home to any buyer, which buyer need not be an Eligible Buyer.
- 5.4 Excess Proceeds.** If an Institutional Lender conducts a foreclosure or other proceedings enforcing its right under its First Mortgage, or acquires title under a deed in lieu of foreclosure, and subsequently sells the Home, and the Home is sold for a price in excess of the greater of:
- A. the outstanding principal balance of the Note secured by such First Mortgage plus all future advances, accrued interest and all reasonable costs and expenses, including reasonable attorney’s fees, which the Institutional Lender is entitled to recover pursuant to the terms of its mortgage; or

B. the Maximum Resale Price applicable on the date of sale.

The excess shall be paid to MB which may retain said excess funds in order to build up a reserve in order to be able to purchase other properties or may, in the alternative, after deducting its reasonable costs, transfer said excess proceeds to the Watson Woods Homeowners Association which may then use said excess proceeds for improvements or betterments to the restricted units.

5.5 **Home Free of this Covenant.** Any Home transferred by an Institutional Lender pursuant to a foreclosure or other proceeding enforcing its right under its First Mortgage or upon transfer after acquisition under deed in lieu of foreclosure, shall be free of terms and conditions of this Covenant for all time.

## 6 COVENANT TO RUN WITH THE HOME

6.1 **Duration.** It is intended and agreed that all of the agreements, covenants, rights and restrictions set forth in this Covenant shall be deemed to be covenants running with the Home and shall be binding upon and enforceable against the Owner, the Owners' successors and assigns and any party holding title to the Home, for the benefit of and enforceable by the Town and MB, and their respective agents, successors, designees for a period of 30 years from the date hereof and shall be renewed by each subsequent Owner for the same period of time, except under the provisions of Section 5 hereof. (For example, if the initial sale of the Home is in 2005, that Owner must sign an Affordable Housing Restrictive Covenant and Agreement binding the Property to those restrictions for a period of 30 years. If that Home is sold in 2010, the new buyer must sign a new Restrictive Covenant binding the Property for an additional 30 years until 2040.)

6.2 **Zoning.** This Covenant and all the rights and restrictions contained in this Covenant shall be deemed to be a condition of the zoning permits granted by the Town of Exeter under the affordable housing zoning ordinance adopted in accordance with RSA 674:16 and RSA 674:21.

6.3 **Covenant to Run with the Home.** The Owner intends, declares and covenants on behalf

of Owner and Owners' successors and assigns (i) that this Covenant and the rights and restrictions contained in the Covenant shall be covenants running with the land, encumbering the Home for the term of this Covenant, and are binding upon the Owners' successors in title, (ii) are not merely personal covenants of the Owner, and (iii) shall bind the Owner, its successors and assigns and ensure to the benefit of the Town and MB and their respective agents successors and assigns for the term of this Covenant. Grantee hereby agrees that any and all requirements of the laws of the State of New Hampshire to be satisfied in order for the provisions of this Covenant to constitute restrictions and covenants running with the land shall be deemed to be satisfied in full.

**6.4 Enforcement. Without limitation on any other rights or remedies of MB or MB's**

**agents, successors, designees and assigns, any sale or other transfer or conveyance of the Home in violation of the provisions of this Covenant shall, to the maximum extent permitted by law, be voidable by MB, the Town, the Watson Woods Unit Owners' Association, and their respective agents, successors, designees and assigns. The Owner shall be liable for all court costs and reasonable attorneys' fees incurred by MB in connection any enforcement action brought by MB.**

**7 MISCELLANEOUS**

**7.1 Notices. Whenever this Covenant requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:**

**If to MB:**

MB Management Company  
220 Forbes Road, Suite 205  
Braintree, MA 02184-2709

**If to Owner:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

with a copy to Town of Exeter

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

**7.2 Homestead Waiver. This Covenant is prior and superior to the Owners' right to a homestead exemption under RSA 480:1, or any successor statutes. Each Owner waives his or her homestead rights to the fullest extent that they conflict with or impair the Developer, the Town's or MB's rights and remedies under this Covenant.**

**7.3 Severability. If any provision of this Covenant shall be held by a court of proper**

**jurisdiction to be invalid or unenforceable; the remaining provisions shall survive and their validity, legality and enforceability shall not in any way be affected or impaired thereby; and the court may, but shall not be required to, fashion a substitute for the provision held to be invalid or unenforceable.**

**7.4 Headings.** The headings of the sections in this Covenant are for convenience only and shall not be used to interpret the meaning of any provision hereof.

**7.5 Arbitration.** Any disputes arising under this covenant between Developer, Town, MB and/or Owner shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association or such other rules or agreements for binding arbitration as the parties to such arbitration may mutually agree. Notwithstanding the foregoing, nothing set forth herein shall preclude the Declarant, the Town or the Owner from obtaining temporary relief pending an arbitrator's decision or injunctive relief to enforce an arbitrator's decision. Each party shall pay their respective attorney's fees, but the prevailing party shall pay the cost of the arbitrator and the arbitration.

**7.6 Amendments.** The parties agree to amend this Covenant for the specific purposes of (i) making minor, clerical or factual corrections or (ii) complying with requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any other governmental agency or any other public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities in order to induce any of such agencies or entities to make, purchase, sell, insure or guarantee mortgages covering the Home; provided the amendment does not materially impair the Owners' rights and value in the Home. This Covenant can also be amended by agreement between the Town and the Owner of the Home provided the amendment complies with the Town's governing laws. The Town and/or the Developer reserve the right to themselves and their successors and assigns to amend the terms of this Covenant as applied to future Owners of other units in the Condominium for, but not limited to, the general purposes of (i) making minor, clerical or factual corrections, (ii) complying with requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any other governmental agency or any other public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities in order to induce any of such agencies or entities to make, purchase, sell, insure or guarantee mortgages covering the units in the Condominium, or (iii) complying with applicable local, state and federal ordinances, rules and regulations.

Executed as of the date first written above.

**OWNER:**

\_\_\_\_\_

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Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**MB MANAGEMENT COMPANY**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Duly authorized

**OWNERS'**

**WATSON WOODS UNIT  
ASSOCIATION**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Duly authorized agent

State of New Hampshire

County of \_\_\_\_\_

Personally appeared the above named \_\_\_\_\_ and \_\_\_\_\_,  
this \_\_\_\_ day of \_\_\_\_\_, 200\_ and acknowledged the foregoing to be her free and  
voluntary act and deed, before me.

\_\_\_\_\_

Justice of the Peace/Notary Public

My commission

expires: \_\_\_\_\_

State of New Hampshire

County of \_\_\_\_\_

On this, the \_\_\_\_\_ of \_\_\_\_\_, 200\_\_, before me, the undersigned  
officer, personally appeared \_\_\_\_\_, who acknowledged  
himself/herself to be the \_\_\_\_\_ of MB Management Company, a  
Massachusetts company, and that he/she, as such \_\_\_\_\_, being  
authorized to do so, executed the foregoing instrument for the purposes therein contained,  
by signing the name of the corporation by himself/herself as \_\_\_\_\_.

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\_\_\_\_\_  
Justice of the Peace/Notary Public  
My commission  
expires:\_\_\_\_\_

State of New Hampshire  
County of Strafford

On this, the \_\_\_\_\_ of \_\_\_\_\_, 200\_\_, before me, the undersigned officer, personally appeared \_\_\_\_\_, who acknowledged himself/herself to be the \_\_\_\_\_ of Watson Woods Unit Owners' Association, and that he/she, as such \_\_\_\_\_, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the Association by himself/herself as \_\_\_\_\_.

\_\_\_\_\_  
Justice of the Peace/Notary Public  
My commission  
expires:\_\_\_\_\_

Master 3-03-05

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE HOME**

**EXHIBIT B**

**MAXIMUM RESALE PRICE CALCULATIONS**

Pursuant to Section 1.9 hereof, the Maximum Resale Price shall be not more than the Purchase Price plus two times the accumulated Consumer Price Index (CPI), in accordance with the following formula (Maximum Resale Price = Original Purchase Price + [2 (accumulated CPI) x Original Purchase Price], calculated as follows:

Date of Current Sale	(DOS)	_____
Date of Purchase by Prior Owner	(DOP)	_____
Original Purchase Price on Date of Purchase		_____
DOS CPI		_____
DOP CPI		_____
Accumulated CPI =	$\frac{\text{DOS CPI} - \text{DOP CPI}}{\text{DOP CPI}}$	_____
Two times accumulated CPI		_____
Two times accumulated CPI x Purchase Price		_____
Maximum Resale Price		_____

Certified this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_.

\_\_\_\_\_  
MB Management Company

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Example:

Date of Sale	1997
Date of Purchase	1993
Original Purchase Price	74,175
DOS CPI	160.5
DOP CPI	144.5
Accumulated CPI	$\frac{160.5 - 144.5}{144.5} = .1107266$
Two times accumulated CPI	.2215
Two times accumulated CPI x Original Purchase Price	16,430
Maximum Resale Price	90,605

Owner:

Unit \_\_\_\_\_, Watson Woods Condominium, Exeter, NH

**TRANSFER CERTIFICATE**

Prior Owner:

Owner:

Date of Sale:

MB hereby certifies:

- A. That the actual Purchase Price of \$\_\_\_\_\_ for the Unit described above is equal to or less than the Maximum Resale Price of \$\_\_\_\_\_.
- B. That the owner is an Eligible Buyer
- C. That the terms of transfer of the Unit described above are in compliance with this Covenant.
- D. Owner has executed a new Covenant to be recorded in the Rockingham County Registry of Deeds, binding the Property to the Covenants for a period of 30 years from the date of transfer of the Unit.
- E. This Transfer Certificate is to be recorded in the Rockingham County Registry of Deeds.
- F. Any good faith buyer of the Unit, institutional lender, or other third party may rely on this Transfer Certificate for the matters contained herein.

Dated this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
MB Management Company

\_\_\_\_\_  
Owner